



H.B. 5108

STATEMENT OF THE BROADWAY LEAGUE

The Broadway League, the principal trade association of the commercial theatre industry, representing over 700 members nationwide including The Nederlander Company, the Fisher/Nederlander Detroit Theatre, the Wharton Center for Performing Arts and the Miller Auditorium, urges the State Legislature to vote NO on H.B. 5108. We thank Chairman Heise and other distinguished members of the Criminal Justice Committee for entertaining our position on the legislation under consideration.

This bill is merely a concession to the ticket broker-lobby disguised as a blow for consumer freedom. However well intended, in practice it does little but prohibits Michigan's law enforcement and live entertainment industry from protecting consumers against ticket scalping. If enacted, venues would lose any ability to ensure that tickets go to patrons, rather than to scalpers and online platforms that purchase our tickets for the sole purpose of reselling them at enormous profit. This proposal will cause higher ticket prices, irate consumers and expand the already-rampant array of dishonest ticket broker practices.

Scalpers frequently mislead the public into believing they are doing business with an authorized agent, only to later learn they transacted with an unaffiliated third-party and paid far more than the ticket's regular value. To confuse buyers, brokers often insert venue names into their URLs, post copyrighted logos on their websites, advertise inventory they have not yet obtained and conceal a ticket's face-price. Further, brokers often bypass venue imposed individual buyer allowances and purchase large amounts of tickets, eliminating inventory and precluding the casual theatre-goer from obtaining a ticket without going to a scalper and paying a massive markup. Additionally, once a broker conveys a ticket to an unsuspecting buyer, they ignore subsequent complaints (leaving venues to satisfy swindled customers).

H.B. 5108 wholly repeals the state's existing consumer protections, which prohibit reselling a ticket for more than the regular value without consent of the venue that originally issued the ticket. It also purports to overrule a century of judicial law by stripping artists and producers, who created the content and invested in the production, of their rights to determine the appropriate way to market to, and transact with, their own customers.

A thriving live entertainment is vital to the state's economy. According to statistics from the Michigan Economic Development Corporation, nearly 96,000 people are employed by the state's Arts, Entertainment and Recreation ('AE&R') industry. In addition, the

Gross Regional Product (market value of all goods and services produced) of the AE&R industry exceeds \$3 billion per year, while the estimated economic impact of Broadway shows touring in Michigan in 2009 (the latest year for which accurate data is available) was \$117 million.

Theatre-goers cheated by brokers are less likely to make subsequent purchases and artists will avoid Michigan's live performance venues if prevented from utilizing venue-managed, patron friendly sales methods. Brokers mislead the public and profit from our tickets. They are not consumers, they do not represent the interest of consumers, and the State Legislature should not endorse their practices.